

# Industry Circular



## Internal Revenue Service

Alcohol, Tobacco and Firearms Division  
Washington, D.C. 20224

Industry Circular No. 69-3

January 29, 1969

Public Law 90-630

Proprietors of distilled spirits plants,  
importers, wholesale liquor dealers,  
and others concerned:

Purpose. The purpose of this circular is to inform you of the Treasury decision, soon to be published in the Federal Register, which will, with a few changes, adopt the proposed regulations published in the Federal Register for December 27, 1968 (33 F.R. 19834).

Background. Industry Circular No. 68-36 informed you of the proposed regulations in 26 CFR Parts 186, 194, 201, 251, and 252 which would implement the provisions of sections 5008(c), 5062(b), and 5232, I.R.C., as amended by Public Law 90-630. The more significant changes from the proposed regulations are discussed below.

Determination of specific gravity of spirits. The proposed regulations provided for the use of Brix saccharometers in gauging spirits having a high solids content (a specific gravity of more than 1.0). Industry Circular No. 69-1 informed you that further consideration of the procedures, and of the equipment available, has led to a decision to provide for the use of specific gravity hydrometers, rather than Brix saccharometers in the specified circumstances. The regulations will, accordingly, provide that the proprietor shall furnish the assigned officer precision grade specific gravity hydrometers when spirits having such a high solids content are to be gauged. Specifications for such hydrometers were detailed in Industry Circular No. 69-1 and will be included in the regulations. With the deletion of requirements for the use of Brix saccharometers, proposed §§ 186.68 and 186.69 (and tables 8 and 9) were not needed and will not be adopted.

Claims. The proposed new § 252.195a has been amended to require that claims for export drawback on Form 1582, Drawback on Distilled Spirits Exported, must, in the case of spirits bottled in bond, be supported by a copy of the Form 179, Withdrawals of Spirits Taxpaid, covering the taxpayment, rather than such Form 179 being identified on the claim, Form 1582.

Mingling of homogeneous imported spirits. The proposed amendments to § 201.312

have been further amended to provide, in specified circumstances, an exception to the requirement that proof of homogeneity be furnished when imported spirits are mingled under § 201.297.

Markings for containers of imported spirits. Proposed § 201.312c has been renumbered as § 201.312d, and a new § 201.312c, Exceptions to specifications for package marking requirements, has been added to the regulations. The new section authorizes the assistant regional commissioner to provide relief from the package marking requirements through the use of temporarily applied marks where the packages are held no more than 30 days, or through waiver of the marking requirements where the packages are not held beyond the next work day after receipt. In neither instance may the packages be transferred in bond or removed to noncontiguous bottling premises.

Miscellaneous amendments. Miscellaneous clarifying amendments have been made in § 186.31 relating to "apparent proof"; in § 201.43 relating to information to be shown on claims for remission of tax on losses of imported spirits; and in § 251.173 relating to information to be shown on Form 236, Transfer of Spirits or Denatured Spirits in Bond. A clarifying amendment of § 251.172 respecting Form 2609, Application for Transfer of Spirits and/or Denatured Spirits in Bond, has been added.

Status of forms. Form 122, Bottler's Dump and Batch Record, Form 1582, Drawback on Distilled Spirits Exported, and Form 2637, Bottling Tank Report, have been revised and distributed to your assistant regional commissioner; you should receive copies of those forms before February 1, 1969. Form 2731, Monthly Report of Bonded Storage Operations, is in the process of revision and you should receive copies thereof in time to prepare your report for the month of February. This form is being revised to provide for the reporting of imported beverage spirits and to require that domestic spirits and imported spirits shall be reported on separate Forms 2731. Thus, a warehouseman handling only domestic (or only imported) spirits would submit only one report on Form 2731; a warehouseman handling both would submit two reports on Form 2731, one identified as being for domestic spirits, the other identified as being for imported spirits.

Inquiries. Inquiries regarding this Industry Circular should refer to its number and be addressed to the office of your Assistant Regional Commissioner, Alcohol, Tobacco and Firearms.



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